

<div>HOUSE</div> <div>FISCAL</div> <div>AGENCY</div>	GENERAL GOVERNMENT					
	Analyst: Mark Wolf Phone: 373-8080	Funding Source	FY 2006-07 Year-To-Date As of 02/08/07	Changes from FY 2006-07 YTD		
				REVISED EXECUTIVE Recommendation 06/25/07	SENATE Passed	HOUSE Subcommittee
DEPARTMENT OF ATTORNEY GENERAL						
ATTORNEY GENERAL OPERATIONS						
1. Attorney General The Executive maintains current-year funding levels.		FTEs Gross GF/GP	1.0 \$124,900 \$124,900	0.0 \$0 \$0		
2. Unclassified Positions The Executive maintains current-year funding levels.		FTEs Gross GF/GP	5.0 \$476,300 \$476,300	0.0 \$0 \$0		
3. Attorney General Operations		FTEs Gross IDG Federal Restricted GF/GP	519.0 \$62,154,000 13,589,300 7,972,200 11,127,800 \$29,464,700	0.0 \$5,120,500 7,866,000 (2,277,000) (333,800) (\$134,700)		
a. Fund Source Adjustments The Executive adjusts IDG, federal, and state restricted fund sources in order to more accurately reflect how legal services provided by the Department of Attorney General are paid for.		FTEs Gross IDG Federal Restricted GF/GP	0.0 \$4,052,900 7,098,400 (2,443,400) (602,100) \$0			
b. Economic Adjustments The Executive includes additional funding for salaries and wages, insurances, retirement, workers' compensation premium costs, and building occupancy charges.		FTEs Gross IDG Federal Restricted GF/GP	0.0 \$2,438,900 767,600 166,400 268,300 \$1,236,600			
c. Eliminate Funding for Early Retirement Payouts The Executive eliminates funding associated with early retirement sick leave payouts. Employees who retired under the Early Out in 2002 received sick leave payouts over a 5-year period of time. FY 2007 was the last year of payments.		FTEs Gross GF/GP	0.0 (\$71,300) (\$71,300)			

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<div>d. Administrative Reductions</div> <div>The Executive reduces the amount of funding available for administrative expenses. Savings are anticipated to be generated through administrative efficiencies.</div>	FTEs Gross GF/GP		0.0 (\$1,300,000) (\$1,300,000)			
<div>e. Real Estate Fraud</div> <div>The Executive does not make a recommendation.</div>	FTEs Gross Restricted GF/GP		0.0 \$0 0 \$0			
<div>4. Child Support Enforcement</div> <div>The Executive includes additional funding for salaries and wages, insurances, and retirement.</div>	FTEs Gross Federal GF/GP	25.0 \$2,851,500 2,039,300 \$812,200	0.0 \$116,400 81,500 \$34,900			
<div>5. Prosecuting Attorneys Coordinating Council</div> <div><div>a. Eliminate Byrne Grant Funding</div><div>The Executive reflects the federal government's elimination of Byrne grant funding which had been made available to the Department in the past. Three FTE positions associated with the funding also will be eliminated.</div></div>	FTEs Gross IDG Federal Restricted GF/GP FTEs Gross Federal GF/GP	15.0 \$1,860,900 0 225,000 357,700 \$1,278,200 FTEs Gross Federal GF/GP	(3.0) \$158,400 325,000 (225,000) 17,300 \$41,100 (3.0) (\$225,000) (225,000) \$0			
<div>b. Economic Adjustments</div> <div>The Executive includes additional funding for salaries and wages, insurances, and retirement.</div> <div>c. Consolidation of PACC-related Activities</div> <div>The Executive consolidates PACC-related activities into one line item. The PACC, Training Project line item is eliminated and the funding included in this line item.</div>	FTEs Gross Restricted GF/GP FTEs Gross IDG GF/GP		0.0 \$58,400 17,300 \$41,100 0.0 \$325,000 325,000 \$0			
<div>6. PACC, Training Project</div> <div>The Executive consolidates PACC-related activities into one line item. This line item is eliminated and the funding included in the Prosecuting Attorneys Coordinating Council line item.</div>	FTEs Gross IDG GF/GP	0.0 \$325,000 325,000 \$0	0.0 (\$325,000) (325,000) \$0			

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				REVISED EXECUTIVE Recommendation 06/25/07	SENATE Passed HOUSE Subcommittee
SUBTOTAL	FTEs Gross IDG Federal Restricted GF/GP	565.0 \$67,792,600 13,914,300 10,236,500 11,485,500 \$32,156,300	(3.0) \$5,070,300 7,866,000 (2,420,500) (316,500) (\$58,700)		
INFORMATION TECHNOLOGY					
1. Information Technology Services and Projects	FTEs Gross GF/GP	0.0 \$739,700 \$739,700	0.0 \$28,200 \$28,200		
a. Economic Adjustments The Executive includes additional funding for salaries and wages, insurances, and retirement.	FTEs Gross GF/GP	0.0 \$31,300 \$31,300	0.0 \$31,300 \$31,300		
b. Administrative Reductions The Executive reduces the amount of funding available for administrative expenses. Savings are anticipated to be generated through administrative efficiencies.	FTEs Gross GF/GP	0.0 (\$3,100) (\$3,100)	0.0 (\$3,100) (\$3,100)		
SUBTOTAL	FTEs Gross GF/GP	0.0 \$739,700 \$739,700	0.0 \$28,200 \$28,200		
TOTAL	FTEs Gross IDG Federal Restricted GF/GP	565.0 \$68,532,300 13,914,300 10,236,500 11,485,500 \$32,896,000	(3.0) \$5,098,500 7,866,000 (2,420,500) (316,500) (\$30,500)		




GENERAL GOVERNMENT – Boilerplate


<div>HOUSE</div> <div>FISCAL</div> <div>AGENCY</div>	FY 2006-07	FY 2007-08		
	CURRENT LAW	EXECUTIVE	SENATE	HOUSE
	<u>DEPARTMENT OF ATTORNEY GENERAL</u>			
<p><i>This section requires the Attorney General to be the sole legal representative for state departments and to defend judges of state courts in civil actions or if claims are made.</i></p> <p>Sec. 302. (1) The attorney general shall perform all legal services, including representation before courts and administrative agencies rendering legal opinions and providing legal advice to a principal executive department or state agency. A principal executive department or state agency shall not employ or enter into a contract with any other person for services described in this section.</p> <p>(2) The attorney general shall defend judges of all state courts if a claim is made or a civil action is commenced for injuries to persons or property caused by the judge through the performance of the judge's duties while acting within the scope of his or her authority as a judge.</p> <p>(3) The attorney general shall perform the duties specified in 1846 RS 12, MCL 14.28 to 14.35, and 1919 PA 232, MCL 14.101 to 14.102, and as otherwise provided by law.</p>	<p>Sec. 302. Retains current law.</p>			
<p><i>This section authorizes the sale of the biennial report on Attorney General operations after the first 350 copies are distributed on a gratis basis. Gratis copies are prohibited from being distributed to Legislators and electronic copies are required to be made available on the Department's website.</i></p> <p>Sec. 303. The attorney general may sell copies of the biennial report in excess of the 350 copies that the attorney general may distribute on a gratis basis. Gratis copies shall not be provided to members of the legislature. Electronic copies of biennial reports shall be made available on the department of attorney general's website. The attorney general shall sell copies of the report at not less than the actual cost of the report and shall deposit the money received into the general fund.</p>	<p>Sec. 303. Retains current law.</p>			



GENERAL GOVERNMENT – Boilerplate

HOUSE FISCAL AGENCY	FY 2006-07 CURRENT LAW	FY 2007-08		
		EXECUTIVE	SENATE	HOUSE
<p><i>This section requires the Attorney General to provide legal representation for State of Michigan state employees in worker's disability compensation cases and authorizes billing for costs of representation.</i></p> <p>Sec. 304. The department of attorney general is responsible for the legal representation for state of Michigan state employee worker's disability compensation cases. The risk management revolving fund revenue appropriation in part 1 is to be satisfied by billings from the department of attorney general for the actual costs of legal representation, including salaries and support costs.</p>		Sec. 304. Retains current law.		
<p><i>This section requires the Department to reimburse the third circuit court of Wayne County up to \$400,000, pursuant to contract agreement, for food stamp fraud cases initiated by the Department and heard by the court.</i></p> <p>Sec. 305. In addition to the funds appropriated in part 1, not more than \$400,000.00 shall be reimbursed per fiscal year for food stamp fraud cases heard by the third circuit court of Wayne County that were initiated by the department of attorney general pursuant to the existing contract between the department of human services, the prosecuting attorneys association of Michigan, and the department of attorney general. The source of this funding is money earned by the department of attorney general under the agreement after the allowance for reimbursement to the department of attorney general for costs associated with the prosecution of food stamp fraud cases. It is recognized that the federal funds are earned by the department of attorney general for its documented progress on the prosecution of food stamp fraud cases according to the United States department of agriculture regulations and that, once earned by this state, the funds become state funds.</p>		Sec. 305. Retains current law.		
<p><i>This section subjects any proceeds received by the Attorney General, as a result of a lawsuit against a manufacturer of tobacco products, to the appropriations process.</i></p> <p>Sec. 306. Any proceeds from a lawsuit initiated by or settlement agreement entered into on behalf of this state against a manufacturer of tobacco products by the attorney general are state funds and are subject to appropriation as provided by law.</p>		Sec. 306. Retains current law.		

	GENERAL GOVERNMENT – Boilerplate		
	FY 2006-07 CURRENT LAW	FY 2007-08	
		EXECUTIVE	SENATE HOUSE
<p><i>This section appropriates up to \$500,000 from litigation expense reimbursements to be used for payment of litigation expenses, court judgments and settlements or attorney fees assessed against the Governor or Attorney General when they are the named party in litigation against the state. Up to \$500,000 of unexpended funds are authorized to be carried forward.</i></p> <p>Sec. 308. (1) In addition to the funds appropriated in part 1, there is appropriated up to \$500,000.00 from litigation expense reimbursements awarded to the state.</p> <p>(2) The funds may be expended for the payment of litigation expenses, court judgments and settlements, or attorney fees assessed against the office of the governor, the department of the attorney general, the governor, or the attorney general when acting in an official capacity as the named party in litigation against the state. The funds may also be expended for the payment of state costs incurred under section 16 of chapter X of the code of criminal procedure, 1927 PA 175, MCL 770.16.</p> <p>(3) Unexpended funds at the end of the fiscal year shall be carried forward for expenditure in the following year, up to a maximum authorization of \$500,000.00.</p>		<p>Sec. 308. Modifies current law; prohibits funding from being expended on salaries and support costs.</p>	

	GENERAL GOVERNMENT – Boilerplate		
	FY 2006-07 CURRENT LAW	FY 2007-08	
		EXECUTIVE	SENATE HOUSE
<p><i>This section authorizes the Department to spend up to \$445,800 of prisoner reimbursement revenue on activities related to the State Correctional Facilities Reimbursement Act. The Department is authorized to spend up to \$1,000,000 of prisoner reimbursement revenue, if the Department collects more than \$1,131,000, on representation of the Department of Corrections and defense litigation against the state in civil actions filed by prisoners.</i></p> <p>Sec. 309. From the prisoner reimbursement funds appropriated in part 1, the department may spend up to \$445,800.00 on activities related to the state correctional facilities reimbursement act, 1935 PA 253, MCL 800.401 to 800.406. In addition to the funds appropriated in part 1, if the department collects in excess of \$1,131,000.00 in gross annual prisoner reimbursement receipts provided to the general fund, the excess, up to a maximum of \$1,000,000.00, is appropriated to the department of attorney general and may be spent on the representation of the department of corrections and its officers, employees, and agents, including, but not limited to, the defense of litigation against the state, its departments, officers, employees, or agents in civil actions filed by prisoners.</p>		<p>Sec. 309. Modifies current law; increases spending authorization to \$460,800.</p>	
<p><i>This section requires the Department of Human Services to maintain a cooperative agreement with the Attorney General for federal Title IV-D funding to support child support enforcement activities. The Attorney General is authorized access to information used to locate parents who fail to pay court ordered support.</i></p> <p>Sec. 310. (1) For the purposes of providing title IV-D child support enforcement funding, the department of human services, as the state IV-D agency, shall maintain a cooperative agreement with the attorney general for federal IV-D funding to support the child support enforcement activities within the office of the attorney general.</p> <p>(2) The attorney general or his or her designee shall, to the extent allowable under federal law, have access to any information used by the state to locate parents who fail to pay court-ordered child support.</p>	Strikes current law.		



GENERAL GOVERNMENT – Boilerplate

**FY 2006-07
CURRENT LAW**

FY 2007-08

EXECUTIVE

SENATE

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NEW LANGUAGE

Sec. 301. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,500,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this bill under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,500,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this bill under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this bill under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.



GENERAL GOVERNMENT – Boilerplate

**FY 2006-07
CURRENT LAW**

FY 2007-08

EXECUTIVE

SENATE

HOUSE

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this bill under section 393(2) of the management and budget act, 1984 PA 4311, MCL 18.1393.

NEW LANGUAGE

Sec. 307. (1) All money or other proceeds received by the department of attorney general for debts due or penalties forfeited to the people of this state, or deriving from the settlement of any lawsuit entered into by the attorney general on behalf of a state agency, department, division, bureau, board, commission, council, authority, or other body in the executive branch of state government or an individual acting on behalf of the executive branch of state government against a private individual or business or any other private organization, shall be immediately deposited in conformity with MCL 14.33 and shall not be available for expenditure or disbursement until appropriated.



GENERAL GOVERNMENT – Boilerplate

**FY 2006-07
CURRENT LAW**

FY 2007-08

EXECUTIVE

SENATE

HOUSE

(2) Except as may otherwise be provided by law, the department of attorney general shall not agree as part of the settlement of a lawsuit or administrative enforcement action on behalf of this state, the people of this state, a state entity, or a individual or officer acting on behalf of this state against a private individual, business, or other private organization, to accept the payment of money, goods, services, or other benefits to a third party or parties in lieu of a debt or obligation otherwise due to this state or the people of this state. Any money paid to settle a debt or obligation owed this state or the people of this state, or paid in lieu of a debt or obligation otherwise due to this state or the people of this state, or goods or services offered to settle claims on behalf of the state or people of the state of Michigan, shall be deposited with the state treasury immediately after receipt and shall not be available for expenditure or disbursement until appropriated. This section does not apply to settlement money or goods disbursed by a court-approved claims administrator directly to consumer members of a class action lawsuit brought by the attorney general in his parens patriae capacity, provided the disbursement is judicially authorized and is made following a notice period and a fairness hearing.



GENERAL GOVERNMENT – Boilerplate

**FY 2006-07
CURRENT LAW**

FY 2007-08

EXECUTIVE

SENATE

HOUSE

(3) On a quarterly basis, the attorney general shall report to the budget office and the appropriations committees for both the house and senate the case names and corresponding attorney general case file numbers, court docket numbers, and presiding courts for every matter that the attorney general settled during the preceding quarter. The attorney general shall report the total settlement value for each case reported. The attorney general shall itemize each settlement to additionally reflect:

- (a) The aggregate Michigan consumer recovery;
- (b) The value of restitution paid on behalf of the state or any state or federal department or agency whose interest was resolved in the case;
- (c) Amounts recovered for civil penalties;
- (d) Amounts recovered for attorneys fees; and
- (e) Amounts recovered as reimbursement for the costs of investigation. If the attorney general settled a case in the prior quarter for non-monetary proceeds, he shall indicate the identity and value of proceeds so received for each case as provided in this section.

(4) Funds appropriated to the department of attorney general under part 1 are appropriated contingent upon compliance with this section.

<div>HOUSE</div> <div>FISCAL</div> <div>AGENCY</div>	GENERAL GOVERNMENT – Boilerplate		
	FY 2006-07 CURRENT LAW	FY 2007-08	
		EXECUTIVE	SENATE
		NEW LANGUAGE Sec. 310. The department of attorney general may not receive an expend funds in addition to those authorized in part 1 for legal services provided specifically to other state departments or agencies except for costs for expert witnesses, court costs or other non-salary litigation expenses associated with a pending legal action.	HOUSE